**[Staffing Variance Analysis Assignment](https://blackboardlearn.utep.edu/webapps/assignment/uploadAssignment?content_id=_4859143_1&course_id=_164542_1&group_id=&mode=view)**

Budgeting is a proactive process of planning for the future. Variance reporting is a retroactive process of explaining both positive and negative differences in expenses versus budget.

This week you will base your variance reporting on the scenario used in week 2 in addition to the following information.

This year’s flu season has been brutal, particularly on the elderly and frail population. The past month the unit has been at capacity every day with many admissions and discharges (capacity is 20). In addition, one of the day nurses has been out on maternity leave. Several days the staff just had to work short as the manager could not cover all the staffing needs. This month’s EOM (end of month) report has many variances. The month you are reporting for is September which has 30 days. Review the report below and answer the following questions.

1. Give a possible explanation for each variance. You can do this in a table format or excel format. CFO’s (chief financial officers) do not like responses that are wordy or full of ‘fluff’. So, answer each variance in a professional, business manner.
2. Recalculate each variance based on per patient day (as the unit was above expected ADC) and list which areas exceeded the budget on a per patient day scenario.
3. The variances that are not explained or neutralized on the per-patient day calculation above, what are some possible reasons for the variance?
4. Could the nurse manager predict the variances prior to the EOM report? Were there any steps that could have been taken to mitigate the negative budget impact? What can be done to lessen the possibility that this will occur in the next budgeting year?

 End of Month Report - September

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Item** | **Budget** | **Actual** | **Variance** | **%** |
| Drugs | 15,733 | 19,666 | (3,933) | (24.99) |
| Food Services | 3,466 | 4332 | (870) | (24.98) |
| Medical Supplies | 10,200 | 12,750 | (2,550) | (25.00) |
| Department Supplies (non-patient) | 500 | 667 | (167) | (33.40) |
| Equipment Repair | 1500 | 1225 | 275 | 18.33 |
| Patient non-chargeable (i.e. bedpans, lotion, shampoo) | 2500 | 3,125 | (625) | (25.00) |
| Dues & Membership | 250 | 300 | (50) | (20.00) |
| Books & Publication | 250 | 250 | 0 | 0 |
| Salaries | 114,240 | 131,376 | (17,136) | (15) |
| Overtime | 5,712 | 7,996 | (2,284) | (40) |
| Agency | 400 | 600 | (200) | (50) |
| PTO | 5,712 | 8,314 | (26,02) | (45) |
| Education Hours | 1000 | 2512 | (1,502) | (150) |

**YOUTUBE LINK**

<https://youtu.be/SMTa1lZu7Qw>

**Week 2 Scenario**

You are a nurse manager on a 20-bed medical unit. You have been asked to develop a labor budget based on the following.

* + - * Average Daily Census (ADC)= 16
      * Unit of service = Patient days
      * Workload-Hours per patient day (HPPD)= 8.5
      * Earned revenue = $1,800 per patient
      * Fixed cost = 5,765,080/year
      * Variable costs for this exercise are staff salaries. Average staff salary = $28/hour or $672/day (However, OT is paid at time and a half)
      * Unit Manager is a fixed position and not included in unit staffing